

H.R. 6331

THE MEDICARE IMPROVEMENTS FOR PATIENTS AND PROVIDERS ACT:

HELPING PHARMACIES SERVE MEDICARE AND MEDICAID PATIENTS

Prescription drugs play a crucial role in medical treatment. Pharmacies are an integral part of the healthcare infrastructure in America. The Medicare prescription drug benefit, sometimes called Medicare “Part D,” took effect on January 1, 2006. Unfortunately, the private insurance plans that provide the Part D benefit have established business practices that discriminate against pharmacies and set up road blocks to beneficiary access to medicines. Changes in the Medicare Improvements for Patients and Providers Act of 2008 will make the benefit work better for pharmacists, and thereby for seniors. Provisions are as follows:

- **Prompt Payment by Prescription Drug Plans and Medicare Advantage Prescription Drug Plans.** Part D drug plans would be required to pay pharmacies within 14 days for properly completed claims that are filed electronically, and within 30 days for claims submitted otherwise. If Part D plans fail to pay promptly, the plan would be required to pay the pharmacy interest on the owed amount. Part D plans would also be required, at the pharmacy’s request, to reimburse by electronic funds transfer (EFT) for claims pharmacies submit electronically.
- **Submission of Claims by Pharmacies Located in or Contracting with Long- Term Care Facilities.** Pharmacies that are located in or provide services to long-term care facilities would be guaranteed that they would have no less than 30 days and no more than 90 days to submit their claims for reimbursement to the drug plans.
- **Regular Update of Prescription Drug Pricing Standard Required.** Part D drug plans would be required to update their prescription drug pricing standard no less frequently than every seven days, beginning with an initial update on January 1 of each year.

Pharmacies also play an important role in the Medicaid program. Nearly 6 percent of all Medicaid spending, or roughly \$17 billion annually, is for prescription medicines. Changes in the Medicare Improvements for Patients and Providers Act of 2008 would help pharmacies as well, including:

- **Delay of Medicaid Payment Changes Until September 2009.** Federal upper limits on Medicaid pharmacy payments would continue to be based on the current Average Wholesale Price (AWP) payment system, rather than the new payment system based on Average Manufacturer Prices (AMP), which pays pharmacies less.
- **Delay of Publication of New Payment Limits Until September 2009.** The Centers for Medicare and Medicaid Services would be prohibited from publishing new Federal price limits under the AMP system until September 2009.